



# NIXON PEABODY LLP

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May 30, 2006

Mary L. Cottrell, Secretary  
Department of Telecommunications and Energy  
One South Station  
Boston, MA 02110

Re: Bay State Gas Company, D.T.E. 06-42

Dear Ms. Cottrell:

Enclosed for filing in the above-referenced docket are Bay State Gas Company's responses to the following Information Requests:

AG-2-2	DTE-1-12
AG-2-3	DTE-1-13
AG-2-4	DTE-1-15
AG-2-11	

If you have any questions, please do not hesitate to call me at 617-345-1316.

Very truly yours,

Robert L. Dewees, Jr.

RLD/tlm  
Enclosure

cc: John J. Geary, Hearing Officer (3 copies)  
Jamie M. Tosches, Esq., Assistant Attorney General (4 copies)  
Andreas Thanos, Assistant Director, Gas Division (1 copy)  
Alexander Kofitse, Analyst, Gas Division (1 copy)

BOS1597971.1

COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO  
INFORMATION REQUESTS FROM THE ATTORNEY GENERAL  
D.T.E. 06-42

Date: May 30, 2006

Responsible: Francisco C. DaFonte, Director, Energy Supply Services

AG 2-2      Please provide copies of all currently approved tariffs that relate to pricing under the terms of the proposed contract with Vector.

Response:    Please see Attachment AG 2-2.

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Vector Pipeline L.P.  
FERC Gas Tariff  
Original Volume No. 1

Fifth Revised Sheet No. 20  
Superseding  
Fourth Revised Sheet No. 20

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STATEMENT OF RATES AND CHARGES

All rates are stated in U.S. \$

Rate Schedule FT-1 1/

Recourse Rates:

	Zone 1 2/		Zone 2 2/	
	Maximum	Minimum	Maximum	Minimum
Reservation Charge (\$ per Dth per month)	\$1.4570	0.0000	\$9.9523	0.0000
Usage Charge (\$ per Dth)	0.0000	0.0000	0.0000	0.0000
ACA Charge	0.0018	0.0018	0.0018	0.0018
Usage and ACA Charge	0.0018	0.0018	0.0018	0.0018

Negotiated Rates:

The effective maximum negotiated charge for any negotiated rate transportation agreement is the charge agreed to by the parties, as set forth in the attached Tariff sheets.

Rate Schedule FT-L 1/

Recourse Rates:

	Zone 1 2/		Zone 2 2/	
	Maximum	Minimum	Maximum	Minimum
Reservation Charge (\$ per Dth per month)	\$0.9780	0.0000	\$6.6803	0.0000
Usage Charge (\$ per Dth)	0.0157	0.0000	0.1076	0.0000
ACA Charge	0.0018	0.0018	0.0018	0.0018
Usage and ACA Charge	0.0175	0.0018	0.1094	0.0018

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5/26/2006

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Vector Pipeline L.P.  
FERC Gas Tariff  
Original Volume No. 1

Fifth Revised Sheet No. 20  
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Second Revised Sheet No. 30  
Superseding  
First Revised Sheet No. 30

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RATE SCHEDULE FT-1

FIRM TRANSPORTATION SERVICE

1. AVAILABILITY

This FT-1 Rate Schedule is available to any party (hereinafter called "Shipper"), for firm transportation service under the authority and provisions of Part 284 of the regulations of the Commission, provided that:

- 1.1 Transporter determines it has sufficient system capacity to render the firm transportation service and is able to provide said transportation.

Any construction, acquisition, or expansion of facilities necessary to commence and provide the firm transportation service has been completed.

Shipper and Transporter have executed a FT-1 Firm Transportation Agreement in the form contained in this FERC Gas Tariff for service under this Rate Schedule.

- 1.4 Shipper has made arrangements acceptable to Transporter for service on upstream and downstream transporters.

- 1.5 Shipper has satisfied the creditworthiness criteria in section 31 of the General Terms and Conditions ("GT&C") of Transporter's FERC Gas Tariff.

2 APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 Transportation service hereunder, through all or any portion of Transporter's system, shall be firm, subject to the provisions of an effective FT-1 Firm Transportation Agreement and to the GT&C.

On each Day during the term of a Firm Transportation Agreement the Shipper shall be entitled to request service hereunder subject to this Rate Schedule and the GT&C. Nominations for service shall be made pursuant to section 5 of the GT&C. Service hereunder shall not be subject to curtailment or interruption except as provided for herein and in section 7 of the GT&C.

Transporter may refuse to render service hereunder if and for so long as Shipper is in default under its Firm Transportation Agreement or the GT&C.

Transporter shall receive for Shipper's account for transportation hereunder daily quantities of Gas up to Shipper's Contracted Capacity, plus an amount reflecting a Fuel Requirement as

determined in GT&C section 11, at the Receipt Point(s) on Transporter's system available to Shipper pursuant to Shipper's Firm Transportation Agreement and the GT&C. Such Contracted Capacity shall be specified in Shipper's Firm Transportation Agreement.

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Issued by: Craig R. Fishbeck, President  
Issued on: April 29 2005

Effective on: June 1, 2005

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FERC Gas Tariff  
Original Volume No.

Third Revised Sheet No. 31  
Superseding  
Substitute Second Revised Sheet No. 31

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Transporter shall deliver for Shipper's account, at the Delivery Point(s) nominated by Shipper from the Delivery Point(s) listed at Exhibit A to Shipper's Firm Transportation Agreement, Dths equivalent to the amount of Dths received by Transporter at the Receipt Point(s), less Fuel Requirement.

- 2.5    Transporter shall not be obligated to add any facilities or expand the capacity of its pipeline system in any manner in order to provide transportation service to Shipper pursuant to this Rate Schedule.

3       RATES AND CHARGES

- 3.1    The applicable maximum and minimum rate for services hereunder are set forth in the currently effective Statement of Rates and Charges of this Tariff and are incorporated herein.

- 3.2    Unless Transporter and Shipper agree in writing to a discounted Recourse Rate or Negotiated Rate for service provided hereunder, the rates applicable to Shipper for service hereunder shall be the maximum Recourse Rates as set forth on the effective Statement of Rates and Charges. In negotiating rates with a Shipper, Transporter shall negotiate rates in a manner that is not unduly discriminatory and that treats similarly situated shippers alike. Transporter is not obligated to provide service at any rate less than the applicable maximum Recourse Rate.

- 3.3    Effective as of the date of commencement of service, as provided for in the Firm Transportation Agreement, Transporter shall charge and Shipper shall pay for Transportation under this Rate Schedule each Month, or part thereof, if applicable, the sum of the following:

- (a)    the applicable Negotiated or Recourse Reservation Charge, multiplied by Shipper's Contracted Capacity;
- (b)    the applicable Negotiated or Recourse Usage Charge, multiplied by either (i) the total quantity actually delivered to the Shipper if OBAs are not in effect for Shipper's receipt and delivery points, or (ii) the scheduled quantity for Shipper's account where OBAs are in effect for Shipper's receipt and delivery points, within Contracted Capacity during the month, pursuant to Shipper's Firm Transportation Agreement, less Fuel Requirement; and
- (c)    the Annual Charge Adjustment (ACA) set forth in the Statement of Rates and Charges.

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Issued by   Craig R   Fishbeck, President

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Third Revised Sheet No. 32  
Superseding  
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4.      POINTS OF RECEIPT AND DELIVERY

- 4.1      The Receipt Point(s) at which Transporter shall receive Gas for transportation hereunder shall be those points listed at Exhibit A to Shipper's Firm Transportation Agreement. Shipper's Firm Transportation Agreement shall designate Shipper's Primary Receipt Point(s). Shipper shall have the right to utilize all other Receipt Points as Alternate Receipt Point(s), subject to availability and at a rate equal to the applicable maximum Recourse Rate for service in that zone, unless otherwise agreed to by the parties, where applicable, and subject to the provisions of the GT&C.

The Delivery Point(s) at which Transporter shall deliver Gas for Shipper's account under this Rate Schedule shall be those points listed at Exhibit A to Shipper's Firm Transportation Agreement. Shipper's Firm Transportation Agreement shall designate Shipper's Primary Delivery Point(s). Shipper shall have the right to utilize all other Delivery Points as Alternate Delivery Point(s), subject to availability and at a rate equal to the applicable maximum Recourse Rate for service in that zone, unless otherwise agreed to by the parties, where applicable, and subject to the provisions of the GT&C.

Transporter and Shipper may, from time to time and by mutual agreement, add, change, or delete Primary Receipt Point(s) or Primary Delivery Point(s) as designated in Exhibit A to the Firm Transportation Agreement. Except as otherwise agreed to by Transporter and Shipper in a Firm Transportation Agreement:

- (a)      Transporter shall agree to a change in Primary Receipt Point(s) or Primary Delivery Point(s) where the new point(s) is/are within the same directional transportation path and the same rate zone as the existing Primary Receipt and Delivery Points, provided mainline firm capacity is available and firm capacity is available at the requested point(s), and subject to prior-in-time pending requests for firm service at the requested points. Where the requested Primary Receipt Point(s) or Primary Delivery Point(s) are not within the same directional transportation path and the same rate zone as the existing Primary Receipt and Delivery points, Transporter shall agree to a change subject to the availability of mainline firm capacity and firm capacity at the requested points, subject to prior-in-time pending requests for firm service at the requested points, and to the extent Transporter and Shipper agree on an appropriate rate for such service.
- (b)      Changes allowed to Primary Receipt Point(s) or Primary Delivery Point(s) will not increase or decrease Shipper



Contracted Capacity. Once a change in Primary Receipt Point(s) or Primary Delivery Point(s) has been authorized by Transporter, Shipper's rights at specific Primary Receipt Point(s) or Primary Delivery Point(s) will be adjusted to reflect the authorized change.

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Issued by: Craig R. Fishbeck, President  
Issued on: April 29, 2005

Effective on: June 1, 2005

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Transporter shall not accept any requested change in Primary Receipt or Delivery Point(s) if to do so would reduce the reservation charges due under Shipper's Firm Transportation Agreement, or, in Transporter's sole judgment, it would impair Transporter's ability to satisfy existing firm obligations.

To request a change in the Primary Receipt Point(s) and/or the Primary Delivery Point(s), Shipper must provide Transporter with two (2) Business Days prior notice in the form of a written request accompanied by an amended Exhibit A to Shipper's Firm Transportation Agreement. Transporter will provide Shipper with written notice within one (1) Business Day after receipt whether the requested change has been accepted, in whole or in part. All such changes, once accepted by Transporter, shall be effective on the later of the next Gas Day after acceptance by Transporter of the amended Exhibit A or the Gas Day requested by Shipper.

## 5      SEGMENTATION

5.1    A Shipper may segment its Contracted Capacity, either on a forward haul or backhaul basis, whether for Shipper's own use or through a capacity release, provided that service using any segmented Receipt and Delivery Point(s) (i) does not exceed Shipper's Contracted Capacity on a forward haul basis, (ii) the segmentation nomination(s) is operationally feasible, (iii) there is sufficient forward haul flow to permit a requested segmented backhaul, and (iv) segmented service otherwise complies with Transporter's Tariff, including the use and availability of alternate points pursuant to sections 4.1 and 4.2. Where a Shipper has Contracted Capacity rights in only one Rate Zone, Shipper may segment such capacity only within that Rate Zone.

5.2    Shippers using segmented capacity may make forward and backhaul deliveries to the same point. Shippers using segmented capacity may not make nominations in which the total of the segmentation nominations on any overlapping segment exceeds the firm entitlements of the underlying segmented Transportation Agreement. In the event of overlapping nominations, and to the extent the Releasing and Replacement Shippers have not agreed to a protocol for resolving such overlapping nominations and have provided such protocol to Transporter at the time of the release, the conflicting nominations shall be adjusted pro rata to match the firm entitlements of the underlying segmented Transportation Agreement.

## 6.      NOMINATIONS AND SCHEDULING OF RECEIPTS AND DELIVERIES

If Shipper desires transportation of Gas on any day under this Rate Schedule, Shipper must nominate and schedule in accordance with sections 5 and 6 of the GT&C.

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Issued by: Craig R. Fishbeck, President  
Issued on: April 29, 2005

Effective on: June 1, 2005

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Vector Pipeline L.P.  
FERC Gas Tariff  
Original Volume No. 1

Third Revised Sheet No. 34  
Superseding  
Second Revised Sheet No. 34

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#### OVERRUN QUANTITIES AND IMBALANCES

Overrun quantities and imbalances associated with transportation under this Rate Schedule and Firm Transportation Agreements under this Rate Schedule shall be governed by and resolved pursuant to section 9 of the GT&C.

#### 8      RESERVATION CHARGE CREDITS

If, on any Day during any month due to a force majeure event (as provided in GT&C section 19), Transporter fails to receive the quantity scheduled pursuant to section 6 of the GT&C and made available by a Shipper, or to deliver the Dths actually received from a Shipper (such Dths to be determined on the basis of the average heat content of such Shipper's Gas), such Shipper shall remain obligated to pay the applicable Reservation Charge for that month. Such Shipper's invoice for the subsequent month, however, shall be reduced by a Reservation Charge Credit in an amount equal to the applicable Reservation Charge specified in the Firm Transportation Agreement, calculated on a per Dth basis, multiplied by the difference between the quantity of Gas Transporter authorized for delivery pursuant to section 6 of the GT&C and which was made available by Shipper, and the actual quantity of Gas delivered by Transporter for the account of Shipper. If, however, Transporter and Shipper mutually agree, Transporter may allow Shipper to transport make-up Gas within an agreed-upon period of time, in which event Transporter shall be relieved of its obligation to provide Reservation Charge Credits.

#### RESERVATIONS

Transporter reserves the right to take such actions as may be required to preserve the integrity of Transporter's system, including maintenance of service to other firm customers.

#### 10     GOVERNMENTAL AUTHORIZATIONS

Transportation service under this Rate Schedule and effective Firm Transportation Agreements shall be implemented pursuant to any applicable self-implementing authorizations or program of the FERC for which Transporter has filed or in which Transporter has agreed to participate.

#### GENERAL TERMS AND CONDITIONS

All of the GT&C of Transporter's Tariff of which this Rate Schedule is a part are applicable to this Rate Schedule and service hereunder and are made a part hereof to the extent that such terms and conditions are not contradicted by any provision herein. In the event of a conflict between the GT&C and the provisions of this Rate Schedule or a Firm Transportation Agreement under this Rate Schedule, the GT&C shall

control.

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Issued by: Craig R. Fishbeck, President  
Issued on: April 29, 2005

Effective on: June 1, 2005

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COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO  
INFORMATION REQUESTS FROM THE ATTORNEY GENERAL  
D.T.E. 06-42

Date: May 30, 2006

Responsible: Francisco C. DaFonte, Director, Energy Supply Services

AG 2-3      Please provide copies of all currently approved tariffs that relate to pricing under the terms of the proposed contract with Washington 10.

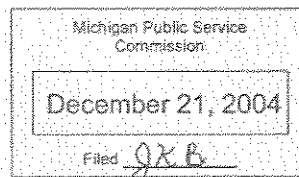
Response:    Please see Attachment AG 2-3.

M.P.S.C. No. 2 - Gas  
Washington 10 Storage Corporation

Original Sheet No. 31

SECTION 31  
WASHINGTON 10 STORAGE CORPORATION  
STATEMENT OF CURRENTLY EFFECTIVE RATES

	Maximum Rate Per Dth	Minimum Rate Per Dth
Firm Storage Service S-1 <sup>1</sup>		
Deliverability Rate per Month	\$2.4788	\$0.0000
Capacity Rate per Month	\$0.0238	\$0.0000
Injection Rate	\$0.0000	\$0.0000
Withdrawal Rate	\$0.0000	\$0.0000
Firm Storage Service S-2 Price Caps <sup>1</sup>		
Deliverability	\$5.0000	\$0.0000
Capacity	\$0.0833	\$0.0000
Injection	\$0.0000	\$0.0000
Withdrawal	\$0.0000	\$0.0000
Interruptible Storage Service I-1 <sup>1</sup>		
Usage Rate	\$0.1123	\$0.0000
Interruptible Storage Service I-2 Price Caps <sup>1</sup>		
Usage Rate	\$1.6000	\$0.0000
Authorized Overrun Service <sup>1</sup>		
Usage Rate	\$0.1123	\$0.0000
Parking and Loaning Service PALS-1 <sup>1</sup>		
Usage Rate	\$0.1123	\$0.0000
Parking and Loaning Service PALS-2 Price Caps <sup>1</sup>		
Usage Rate	\$1.6000	\$0.0000
Transportation Service T-1	\$0.0250	\$0.0000
Wheeling Service		
Usage Rate	\$0.0250	\$0.0000
Title Transfer Service		
Transaction Fee	\$0.0000	\$0.0000
Unauthorized Overrun Charge	\$25.0000	\$25.0000



<sup>1</sup> The T-1 Transportation Service Rate is a component of this Service's cost-based rate.

ISSUED DECEMBER 21, 2004  
JERRY NORCIA  
VICE PRESIDENT  
WASHINGTON 10 STORAGE CORPORATION  
DETROIT, MICHIGAN

EFFECTIVE FOR SERVICE RENDERED ON AND  
AFTER NOVEMBER 24, 2004  
ISSUED UNDER AUTHORITY OF  
THE MICHIGAN PUBLIC SERVICE COMMISSION  
ORDER DATED NOVEMBER 23, 2004  
IN CASE NO. U-14010



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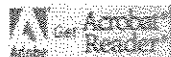
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#### Washington 10 Resources

- > [MPSC Tariff\\*](#)
- > [FERC Operating Statement\\*](#)
- > [Storage contract\\*](#)
- > [PALS contract\\*](#)
- > [Hub Services Contract](#)
- > [Infield Transfer\\*](#)

\*To view and print this information, you need Adobe® Acrobat® Reader.



DTE Gas Storage Company owns, operates and develops natural gas storage projects.

#### Washington 10 News

##### > [Planned Outage](#)

##### IT and Overrun Curtailment Lifted

The restriction on Overrun and Interruptible service at Washington 10 has been lifted.

For more information, please call Mark Bering at (313) 235-6531

##### Fuel Notice

Commencing April 1, 2006 and until further notice the fuel rate on injections is 0.5 % and fuel on withdrawals is 0.0%.

Please note that this injection fuel rate has been lowered from the previous estimate of 0.72%.

##### > [Presentations](#)

[Chicago LDC-2005 \(ppt\)](#)  
[2005 Customer Meeting \(ppt\)](#)  
[Hub Services Announcement\\*](#)  
[Open Season\\*](#)  
[Platts Storage Outlook-2005 \(ppt\)](#)  
[Reverse Open Season\\*](#)

**Washington 10**  
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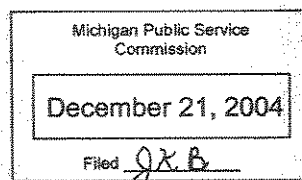


M.P.S.C. No. 2 - Gas  
Washington 10 Storage Corporation

Original Sheet No. 1

SECTION 1  
FIRM STORAGE SERVICE  
S-1

- 1.1 At any time during the year, Transporter may determine that it has the ability to offer defined amounts of Firm Storage Service. Upon such determination and subject to Transporter having available capacity and Shipper meeting the eligibility requirements set forth in this Tariff, Transporter shall offer Firm Storage Service to Shippers on a non-discriminatory basis in accordance with this Tariff.
- 1.2 A contract for Firm Storage Service shall be for a term stated in the Service Agreement.
- 1.3 During the term of the Service Agreement, Transporter shall provide a storage service for Shipper with a Maximum Storage Quantity, Maximum Daily Injection Quantity, and Maximum Daily Withdrawal Quantity.
- 1.4 The rate for this Firm Storage Service shall consist of: (1) a Monthly Deliverability Rate per Dth of MDWQ; (2) a Capacity Rate per Dth of MSQ; (3) a daily Injection Rate per Dth of Gas injected by Transporter into Shipper's Storage Account; and (4) a daily Withdrawal Rate per Dth of Gas withdrawn by Transporter from Shipper's Storage Account. Transporter shall assess a Fuel and Gas Lost and Unaccounted For component on quantities nominated for injection and withdrawal as specified on Transporter's Electronic Bulletin Board, except that Fuel and Gas Lost and Unaccounted For shall not be assessed in cases where the injection or withdrawal occurs in a direction that is opposite to the Net System Flow.
- 1.5 Shipper may deliver Gas to Transporter for injection into storage on a firm basis on any Day. Shipper may request that Transporter withdraw Gas from storage on a firm basis on any Day.
- 1.6 Transporter, in its discretion, may allow Shipper to deliver Gas for storage in excess of the MDIQ, and to request withdrawals from storage in excess of the MDWQ. The Shipper may not withdraw Gas in excess of its Storage Account balance.
- 1.7 The MDWQ and MDIQ as stated in the Service Agreement shall be deemed to be reduced in accordance with the ratchets, if any, set forth in the Service Agreement.
- 1.8 Firm Storage Service shall be scheduled prior to interruptible services under this Tariff and interruptible services offered by Transporter pursuant to its Statement of Operating Conditions on file with the Federal Energy Regulatory Commission. All Firm Storage Service offered by Transporter under this Tariff and pursuant to its Statement of Operating Conditions on file with the Federal Energy Regulatory Commission shall have equal scheduling priority.
- 1.9 Transporter shall, on any Day, accept the Scheduled Daily Quantity at the Receipt Point for injection into the Shipper's Storage Account.
- 1.10 Transporter shall, on any Day, deliver the Scheduled Daily Quantity to the Delivery Point following withdrawal from Shipper's Storage Account.
- 1.11 With respect to Gas delivered by Shipper to Transporter at the Receipt Point, Shipper shall be responsible for making all arrangements for, and paying for, the transportation of Gas to the Receipt Point.
- 1.12 With respect to Gas delivered by Transporter to the Shipper at the Delivery Point subsequent to withdrawal from storage, Shipper shall be responsible for making all arrangements for, and paying for, the transportation of Gas from the Delivery Point.



(Continued on Sheet No. 1a)

ISSUED DECEMBER 21, 2004  
JERRY NORCIA  
VICE PRESIDENT  
WASHINGTON 10 STORAGE CORPORATION  
DETROIT, MICHIGAN

EFFECTIVE FOR SERVICE RENDERED ON AND  
AFTER NOVEMBER 24, 2004  
ISSUED UNDER AUTHORITY OF  
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ORDER DATED NOVEMBER 23, 2004  
IN CASE NO. U-14010

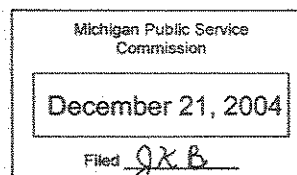
M.P.S.C. No. 2 - Gas  
Washington 10 Storage Corporation

Original Sheet No. 1a

(Continued from Sheet No. 1)

SECTION 1  
FIRM STORAGE SERVICE  
S-1

- 1.13 If, on any Day, Shipper fails to transport or cause to be transported the Scheduled Daily Quantity away from the Delivery Point, Transporter shall assess the Shipper the Unauthorized Overrun Charge for such quantities. On any such Day, Shipper shall have the right to make a request for a Parking and Loaning arrangement pursuant to Section 5 or 6. In such case, Shipper shall propose a specific schedule for remedying the failure to transport or cause Gas to be transported and, upon Transporter's agreement to a schedule, a Confirmed Service Request under Section 5 or 6 shall be in effect. If Shipper elects not to make a request, then the quantity not taken away from the Delivery Point shall be sold to Transporter at 50% of the lowest midpoint MichCon City Gate price as published in Gas Daily or an acceptable successor publication during the Month Shipper elects not to subscribe to Parking and Loaning Service and the Month immediately thereafter.
- 1.14 If, at the end of Shipper's Service Agreement, Shipper has a positive Storage Account balance, and Shipper does not enter into a new Firm Storage Service Agreement with Transporter or enter into a new or have an existing Interruptible Storage Service Agreement with Transporter, then Transporter shall purchase from Shipper the Gas in Shipper's Storage Account free and clear of any adverse claims at 50% of the lowest midpoint MichCon City Gate price as published in Gas Daily or an acceptable successor publication during the Month of termination and the Month immediately following termination. Payment for the remaining quantities shall appear as a credit on the last statement rendered by Transporter to Shipper. To the extent the credit exceeds the total charges in that statement, the difference shall be paid by Transporter to Shipper. If, at the end of Shipper's Service Agreement, Shipper has a positive Storage Account balance, and Shipper does enter into a new Firm Storage Service Agreement with Transporter or does enter into a new or have an existing Interruptible Storage Service Agreement with Transporter, then Transporter shall credit the Gas remaining in Shipper's Storage Account to Shipper's new Storage Account under the successor Firm or Interruptible Storage Service Agreement or the existing Interruptible Storage Service Agreement up to the MSQ.
- 1.15 In-Field Transfers. A Shipper may elect to fill the MSQ, in whole or in part, through an in-field transfer of Gas subject to Section 30.12 of the General Terms and Conditions. Such an election will neither increase nor diminish the MDIQ, MDWQ, or MSQ. The sum of (a) the quantity of Gas currently in the Shipper's Storage Account, (b) Gas nominated and injected into Shipper's Storage Account, and (c) Gas moved into the Shipper's Storage Account through one (1) or more in-field transfers, may not exceed the MSQ.



ISSUED DECEMBER 21, 2004  
JERRY NORCIA  
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DETROIT, MICHIGAN

EFFECTIVE FOR SERVICE RENDERED ON AND  
AFTER NOVEMBER 24, 2004  
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**SECTION 27**  
**WASHINGTON 10 STORAGE CORPORATION**  
**STATEMENT OF CURRENTLY EFFECTIVE RATES**

	Maximum Rate Per Dth	Minimum Rate Per Dth
Firm Storage Service SS-1		
Deliverability Rate per Month	\$2.4788	\$0.0000
Capacity Rate per Month	\$0.0238	\$0.0000
Injection Rate	\$0.0000	\$0.0000
Withdrawal Rate	\$0.0000	\$0.0000
Interruptible Storage Service ISS		
Usage Rate	\$0.11230	\$0.0000
Injection Rate	\$0.0000	\$0.0000
Withdrawal Rate	\$0.0000	\$0.0000
Authorized Overrun Service		
Usage Rate	\$0.11230	\$0.0000
Parking and Loaning Service PAL		
Usage Rate	\$0.11230	\$0.0000
Hub Service-Wheeling HSW		
Usage Rate	\$0.0250	\$0.0000
Hub Service-Title Transfer HSTT		
Transaction Fee	\$0.0000	\$0.0000
Unauthorized Overrun Charge	\$25.0000	\$25.0000

## **SECTION 8 NOMINATIONS**

- 8.1 Shipper may designate a third party as agent for purposes of nominating, and for giving and receiving notices related to nominations. Shipper shall provide Transporter with written notice of such designation. Any such designation shall be effective starting the Month following the receipt of the notice and will remain in effect until revoked in writing by Shipper.
- 8.2 All nominations shall be submitted through Transporter's EBB. Specific information to be included in the nomination is posted on Transporter's EBB. Transporter, in its sole discretion, may amend or modify the nominating procedures or system at any time.
- 8.3 Shipper, or its designated agent, shall notify Transporter's Gas Nominations Department of the daily quantity of Gas that Shipper is nominating for delivery to Transporter or for delivery from Transporter on behalf of Shipper. Such nominations shall be submitted by 1:00 p.m. CCT prior to the effective Gas Day. Transporter will normally schedule late nominations as requested except when operational conditions prevent Transporter from doing so. All nominations will be scheduled on a non-discriminatory basis. Shipper, or its designated agent, shall provide Transporter with a nomination for each Gas Day.
- 8.4 If Shipper fails to provide a nomination for any Day, the daily nomination is assumed to be zero.

## **SECTION 9 RATES**

- 9.1 The maximum and minimum rates for service under this Statement of Operating Conditions are provided in the Statement of Currently Effective Rates contained in this Statement of Operating Conditions. Transporter may periodically offer and agree to non-discriminatory discounting of maximum rates. Discounted rates shall not exceed the applicable maximum rates, and shall not be below the applicable minimum rates, if any, approved by the Commission from time to time for the type of service provided.
- 9.2 Shippers shall provide Fuel and Gas Lost and Unaccounted For in kind or shall upon agreement between Transporter and Shipper pay Transporter the monetary equivalent of such Fuel and Gas Lost and Unaccounted For based on the MichCon city gate index price and the applicable Fuel and Gas Lost and Unaccounted For percentage as posted on the Transporter's EBB.
- 9.3 Transporter reserves the right to seek authorization from the Commission to increase, decrease, or restructure the maximum rates charged under this Statement of Operating Conditions, including the Fuel and Gas Lost and Unaccounted For rate, to assure Transporter's right to charge and collect fair and equitable rates under the Commission's applicable rules and regulations. Nothing herein shall be construed to deny any Shipper any rights that it may have under the Commission's rules and regulations to participate fully in rate or certificate proceedings to contest any proposed change in rates charged in this Statement of Operating Conditions.

- 9.4 In the event of any unauthorized receipt or delivery of Gas quantities on any Day under this Statement of Operating Conditions, Shipper causing such unauthorized use of service shall be charged the applicable charges or penalties incurred by Transporter as a result of Shipper's Unauthorized Overrun. In addition, when Gas is delivered to Transporter as a result of an unauthorized receipt, Transporter shall purchase the Unauthorized Overrun quantities from the Shipper at 50% of the lowest midpoint MichCon City Gate price as published in Gas Daily or an acceptable successor publication during the Month in which the unauthorized receipt occurred and the Month immediately thereafter. When Gas is taken from Transporter as a result of an unauthorized delivery, Transporter shall sell the Gas taken from Transporter to the Shipper at 150% of the highest midpoint MichCon City Gate price as published in Gas Daily or an acceptable successor publication during the Month in which Gas is taken on an unauthorized basis and the Month immediately thereafter. Shipper shall pay the Unauthorized Overrun Charge for all unauthorized Gas quantities.
- 9.5 Transporter and Shipper shall work to keep the flow of Gas in balance at all times. If at any time the quantities of Gas received by Transporter at the Receipt Points are greater or lesser than Gas delivered at the Delivery Points, Transporter may refuse, increase, or decrease deliveries to correct the imbalances. If upon termination of a Service Agreement between a Shipper and Transporter, Shipper has not received from or delivered to Transporter quantities of Gas that are equal to those the Shipper has taken at the Delivery Point(s), the Shipper must receive or deliver the excess or deficient quantities from or to Transporter within 60 Days of the termination of the Service Agreement at a mutually agreeable rate. If Shipper fails to correct the imbalance within the 60-Day period, Shipper shall pay Transporter the Unauthorized Overrun Charge for all such quantities. In addition, Transporter shall purchase excess quantities from shipper at 50% of the lowest midpoint MichCon City Gate price as published in Gas Daily or an acceptable successor publication during the Month the Service Agreement expired and the Month immediately thereafter. Transporter shall sell excess quantities to Shipper at 150% of the highest midpoint MichCon City Gate price as published in Gas Daily or an acceptable successor publication during the Month the Service Agreement expired and the Month immediately thereafter.

#### **SECTION 10 REGULATORY REQUIREMENTS**

- 10.1 Any and all service transactions under this Statement of Operating Conditions must be interstate service eligible under, and shall be fully subject to, the applicable requirements of 18 CFR § 284.224 of the Commission's rules and regulations, as they may be revised from time to time. Shipper's Request for Service shall constitute its warranty that Shipper satisfies such requirements, and Transporter shall have the right to request information from Shipper to verify its eligibility.

#### **SECTION 11 RECEIPT POINTS AND DELIVERY POINTS**

- 11.1 The existing Receipt Points and Delivery Points for all Gas tendered to Transporter for injection into and tendered to Shipper following withdrawal from the Washington 10 Storage Field shall be at the interconnection between Transporter's 0.5 mile, 24-inch transmission line and Michigan Consolidated Gas Company's 36-inch Milford-Belle River Mills Pipeline and at the interconnection with Vector Pipeline. Receipt and Delivery Points will be stated in the Service Agreement.

**SECTION 1**  
**FIRM STORAGE SERVICE**  
**SS-1**

- 1.1 At any time during the year, Transporter may determine that it has the ability to offer defined amounts of Firm Storage Service. Upon such determination and subject to Transporter having available capacity and Shipper meeting the eligibility requirements set forth in this Statement of Operating Conditions, Transporter shall offer Firm Storage Service to Shippers on a non-discriminatory basis in accordance with this Statement of Operating Conditions.
- 1.2 A contract for Firm Storage Service shall be for a term stated in the Service Agreement.
- 1.3 During the term of the Service Agreement, Transporter shall provide a storage service for Shipper with a Maximum Storage Quantity, Maximum Daily Injection Quantity, and Maximum Daily Withdrawal Quantity.
- 1.4 The rate for this Firm Storage Service shall consist of: (1) a Monthly Deliverability Rate per Dth of MDWQ; (2) a Capacity Rate per Dth of MSQ; (3) a daily Injection Rate per Dth of Gas injected by Transporter into Shipper's Storage Account; and (4) a daily Withdrawal Rate per Dth of Gas withdrawn by Transporter from Shipper's Storage Account. Transporter shall assess a Fuel and Gas Lost and Unaccounted For component on quantities nominated for injection and withdrawal as specified on Transporter's Electronic Bulletin Board, except that Fuel and Gas Lost and Unaccounted For shall not be assessed in cases where the injection or withdrawal occurs in a direction that is opposite to the Net System Flow.
- 1.5 Shipper may deliver Gas to Transporter for injection into storage on a firm basis on any Day. Shipper may request that Transporter withdraw Gas from storage on a firm basis on any Day.
- 1.6 Transporter, in its discretion, may allow Shipper to deliver Gas for storage in excess of the MDIQ, and to request withdrawals from storage in excess of the MDWQ. The Shipper may not withdraw Gas in excess of its Storage Account balance.
- 1.7 The MDWQ and MDIQ as stated in the Service Agreement shall be deemed to be reduced in accordance with the ratchets, if any, set forth in the Service Agreement.
- 1.8 Firm Storage Service shall be scheduled prior to interruptible services under this Statement of Operating Conditions and interruptible services offered by Transporter pursuant to its Tariff on file with the MPSC. All Firm Storage Service offered by Transporter under this Statement of Operating Conditions and pursuant to its rates and tariffs on file with the MPSC shall have equal scheduling priority.
- 1.9 Transporter shall, on any Day, accept the Scheduled Daily Quantity at the Receipt Point for injection into the Shipper's Storage Account.
- 1.10 Transporter shall, on any Day, deliver the Scheduled Daily Quantity to the Delivery Point following withdrawal from Shipper's Storage Account.
- 1.11 With respect to Gas delivered by Shipper to Transporter at the Receipt Point, Shipper shall be responsible for making all arrangements for, and paying for, the transportation of Gas to the Receipt Point.
- 1.12 With respect to Gas delivered by Transporter to the Shipper at the Delivery Point subsequent to withdrawal from storage, Shipper shall be responsible for making all arrangements for, and paying for, the transportation of Gas from the Delivery Point.

- 1.13 If, on any Day, Shipper fails to transport or cause to be transported the Scheduled Daily Quantity away from the Delivery Point, Transporter shall assess the Shipper the Unauthorized Overrun Charge for such quantities. On any such Day, Shipper shall have the right to make a request for a Parking and Loaning arrangement pursuant to Section 3. In such case, Shipper shall propose a specific schedule for remedying the failure to transport or cause Gas to be transported and, upon Transporter's agreement to a schedule, a Confirmed Service Request under Section 3 shall be in effect. If Shipper elects not to make a request, then the quantity not taken away from the Delivery Point shall be sold to Transporter at 50% of the lowest midpoint MichCon City Gate price as published in Gas Daily or an acceptable successor publication during the Month Shipper elects not to subscribe to Parking and Loaning Service and the Month immediately thereafter.
- 1.14 If, at the end of Shipper's Service Agreement, Shipper has a positive Storage Account balance, and Shipper does not enter into a new Firm Storage Service Agreement with Transporter or enter into a new or have an existing Interruptible Storage Service Agreement with Transporter, then Transporter shall purchase from Shipper the Gas in Shipper's Storage Account free and clear of any adverse claims at 50% of the lowest midpoint MichCon City Gate price as published in Gas Daily or an acceptable successor publication during the Month of termination and the Month immediately following termination. Payment for the remaining quantities shall appear as a credit on the last statement rendered by Transporter to Shipper. To the extent the credit exceeds the total charges in that statement, the difference shall be paid by Transporter to Shipper. If, at the end of Shipper's Service Agreement, Shipper has a positive Storage Account balance, and Shipper does enter into a new Firm Storage Service Agreement with Transporter or does enter into a new or have an existing Interruptible Storage Service Agreement with Transporter, then Transporter shall credit the Gas remaining in Shipper's Storage Account to Shipper's new Storage Account under the successor Firm or Interruptible Storage Service Agreement or the existing Interruptible Storage Service Agreement up to the MSQ.
- 1.15 In-Field Transfers. A Shipper may elect to fill the MSQ, in whole or in part, through an in-field transfer of Gas subject to Section 26.12 of the General Terms and Conditions. Such an election will neither increase nor diminish the MDIQ, MDWQ, or MSQ. The sum of (a) the quantity of Gas currently in the Shipper's Storage Account, (b) Gas nominated and injected into Shipper's Storage Account, and (c) Gas moved into the Shipper's Storage Account through one (1) or more in-field transfers, may not exceed the MSQ.

COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO  
INFORMATION REQUESTS FROM THE ATTORNEY GENERAL  
D.T.E. 06-42

Date: May 30, 2006

Responsible: Francisco C. DaFonte, Director, Energy Supply Services

AG 2-4      Please provide a copy of the interim agreement(s) with Vector.

Response:   Please see Company response to AG 2-5.



COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO  
INFORMATION REQUESTS FROM THE ATTORNEY GENERAL  
D.T.E. 06-42

Date: May 30, 2006

Responsible: Francisco C. DaFonte, Director, Energy Supply Services

AG 2-11      State any and all circumstances under which the Company would not maintain maximum storage levels at the Washington 10 storage facility going into the peak season. Please explain each circumstance.

Response:    Going into the peak season, the Company fills its storage resources to the maximum extent possible. Washington 10 storage will not be treated differently.

COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO  
INFORMATION REQUESTS FROM THE  
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY  
D.T.E. 06-42

Date: May 30, 2006

Responsible: Francisco C. DaFonte, Director, Energy Supply Services

DTE 1-12     Please explain whether Bay State has conducted any analyses to evaluate the potential financial impact to firm ratepayers of capacity release versus magnitude and likelihood of by-pass by its commercial and industrial customers?

Response:    The Company is unclear as to the meaning of the question.

COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO  
INFORMATION REQUESTS FROM THE  
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY  
D.T.E. 06-42

Date: May 30, 2006

Responsible: Francisco C. DaFonte, Director, Energy Supply Services

DTE 1-13     Please indicate the number of firm sales customers that are dual-fuel capable and the annual volumes associated with these customers.

Response:     At this time, the Company has identified 77 dual-fuel tariff customers. Of these, 16 are firm sales customers. The Company has not had the opportunity to extract the annual historical use of these customers at this time, nor estimated annual volume of these customers. Considering the variable aspect of dual fuel customers' demand for natural gas (in conjunction with alternate fuel use), estimating their annual gas use is oftentimes difficult, and may not lend itself to be of significant use.

The Company continuously updates its customer information and, in particular, is reviewing its C&I customer lists for those who have dual fuel capability. Further, this list is subject to change as customers may eliminate or add alternate fuel capability over time.

COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO  
INFORMATION REQUESTS FROM THE  
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY  
D.T.E. 06-42

Date: May 30, 2006

Responsible: Francisco C. DaFonte, Director, Energy Supply Services

DTE 1-15     For each of the storage facilities in Bay State's portfolio, please provide a narrative of any restrictions (e.g., seasonal or otherwise) that affects the level of gas injections or withdrawals.

Response:    Please see Attachment DTE 1-15.

# ATTACHMENT DTE 1-15

Bay State Gas Company  
Detailed Storage Information

Please refer to each pipeline's tariff for complete information regarding storage rates & restrictions.

## Brockton Service Area

### Dominion

Rate Schedule - GSSE

Ratchets

Withdrawals			Injections		
Inventory %	MDAQ	MDAQ %	Inventory %	MDAQ	MDAQ %
0%-10%	9,298	63.00%	0%-70%	8,471	100.00%
10%-15%	10,331	70.00%	70%-100%	5,500	64.99%
15%-25%	13,577	92.00%			
25%-100%	14,758	100.00%			

Monthly Maximum

87.5% of MDAQ\* number of days

Minimum Balance

December & January = 33%, for February 15%

Minimum Take

85% of inventory based on Nov 1 level

Notes

A penalty of twice the applicable fuel rate will be imposed if seasonal minimum is not met

### Texas Eastern

Rate Schedule SS-1

Ratchets

Withdrawals		
Inventory %	MDAQ	MDAQ %
0%-5.00%	2,386	10.45%
5.00%-12.18%	4,135	18.12%
12.18%-21.06%	16,887	73.98%
21.06%-31.06%	20,098	88.08%
31.06%-100%	22,619	100.00%

Monthly Maximum

See Recommended Minimum Inventory Level

Minimum Take

See Recommended Minimum Inventory Level

Notes

Texas Eastern may institute operational flow orders if Minimum Inventory level is not maintained

Rate Schedule FSS-1

Ratchets

Withdrawals		
Inventory %	MDAQ	MDAQ %
0%-10%	704	68.67%
10%-20%	880	83.33%
20%-100%	1,056	100.00%

Monthly Maximum

See Recommended Minimum Inventory Level

Minimum Take

See Recommended Minimum Inventory Level

Notes

Texas Eastern may institute operational flow orders if Minimum Inventory level is not maintained

### Texas Eastern Recommended Maximum & Minimum Inventory Level

	Maximum Inventory Level			Minimum Inventory Level		
	30-Apr	15-Dec	31-Dec	31-Jan	28-Feb	31-Mar
FSS-1	56%	91%	60%	54%	35%	7%
SS-1	56%	91%	60%	54%	30%	9%
	Recommended Maximum Withdrawals					
	Nov 15-Dec 31	31-Jan	28-Feb	31-Mar		
FSS-1	23%	26%	24%	23%		
SS-1	23%	26%	24%	21%		

## Springfield/Lawrence Service Area

### Tennessee

Rate Schedule - FS-MA

Ratchets

Withdrawals		
Inventory %	MDAQ	MDAQ %
0%-20%	12,825	64.92%
20%-30%	16,895	86.53%
30%-100%	19,755	100.00%

Monthly Maximum

110% of Ratchet 2 MDAQ\* (number of days in month)

Seasonal Minimum

110% of Ratchet 2 = 18,586

Minimum Balance

None  
15% of Maximum Storage quantity (Nov 1 through Mar 1)

### National Fuel

Rate Schedule - FSS

Ratchets

Withdrawals		
Inventory %	MDAQ	MDAQ %
0%-10%	7,333	73.33%
11%-15%	8,148	81.48%
16%-30%	9,167	91.67%
31%-100%	10,000	100.00%

Monthly Maximum

None

Seasonal Minimum

None

Minimum Balance

None